

November 13, 2001

Gloria Blue  
Executive Secretary  
Trade Policy Staff Committee  
Office of the USTR  
600 17th Street, N.W.  
Washington, D.C. 20508

Dear Ms. Blue:

I am writing this letter on behalf of Camcraft, Inc. and as an authorized representative of the Precision Machined Products Association (PMPA). I request to exclude the products described below from import relief under Section 203.

Camcraft, Inc. is a manufacturer of precision turned machined products located in Hanover Park, Illinois. Our annual sales are approximately \$25,000,000 and we employ 200 people in skilled, well-paying jobs. The PMPA is comprised of approximately 560 primarily small, family-owned businesses who employ approximately 33,000 workers. The precision machined products industry as a whole is made up of approximately 1,600 companies who employ a total of 57,000 workers.

**Product Designation and Description**

Hot rolled leaded carbon steel coil and bars and hot rolled leaded carbon steel coil and bars with tellurium, designated AISI 12L14 and 12L14AX per ASTM A-29.

**Basis for Requesting Exclusion**

There are only two U.S. hot mills that process 12L14 (testimony before the International Trade Commission on November 8, 2001 indicated that this number could be reduced to one by the end of 2001) and only one that processes 12L14AX. These materials constitute the majority of the free machining steel used by the precision machined products industry. High tariffs on these products would give the domestic producer(s) monopolistic pricing power in the domestic market place.

The precision machined products industry, much like the steel industry, is engaged in the fierce struggle of global competition. We face all of the same challenges: the depressed economy, high investment requirements, excess capacity with corresponding plant closings, pricing pressure, and strong foreign competition. Our European competitors already have a cost advantage on their material. A recent survey compiled by the Syndicate International du Decolletage (SID) indicates that European competitors pay anywhere from \$.04 to \$.08 per pound (12% to 24%) less for 12L14 than a U.S. company.

Without international competition, the domestic producer(s) will increase prices and this will harm the downstream consumer companies. In addition, by making U.S. precision machined products manufacturers less competitive, some of the companies in the industry

will fail with a corresponding loss of well-paying jobs. The Consuming Industries Trade Action Coalition (CITAC) estimates that there will be 9 steel-using jobs lost for each steel-producing job protected. In addition, the offshore flight of manufacturing will accelerate, and ultimately, U.S. steel companies will be further harmed as a result of reduced demand for steel in the U. S. market.

**Names and Locations of Producers**

Ispat Inland, Inc.	East Chicago, Indiana
Republic Technologies, International	Lorain, Ohio
Corus Group	England
Saarstahl AG	Saarland, Germany

**U.S. Consumption**

Consumption from 1996 to 2000 was in a range as follows:

12L14	570,000 to 760,000 tons
12L14AX	30,000 to 40,000 tons

Usage will continue in this range. These numbers are estimates obtained from:

Mr. Lane Pate, Laurel Steel  
Mr. Kevin Kirkland, Ryerson Tull

**U.S. Production**

Per Mr. Pate, the import percentage of the total market for leaded steel bars would not exceed the 16% number for the steel industry as a whole. Therefore, U.S. production would not be less than 84% of the numbers stated above.

**U.S. Produced Substitute**

None

Very truly yours,

James J. O'Donnell  
Chief Financial Officer  
Camcraft, Inc.  
1080 Muirfield Drive  
Hanover Park, Illinois 60133  
(630) 582-6000  
[jodonnell@camcraft.com](mailto:jodonnell@camcraft.com)

# SID – International Congress – September 24-28, 2001 – Westport, Ireland

## International Comparison of Business Conditions and Material Costs

	CH		D		E		F		GB		IRL		S		USA			
A: Business Development																		
Orders received	↘		➔		↗		➔		↘		↗		➔		↘			
Turnover	↘		↗		↗		↗		↘		↗		↗		↘			
B: Development of Costs																		
Exchange rate, August 24, 2001 (1€= ...)	CHF 1.5193		DM 1.95583		pta 165.386		FF 6.55957		£ 0.6317		Ir£ 0.787564		SEK 9.3873		US\$ 0.9108			
Basic Material																		
(ex works, based on 2 t. quality h9, net prices)			€	CHF	€	DM	€	pta	€	FF	€	£	€	Ir£	€	SEK	€	US\$
11 SMnPb 30	5mm Ø	(.../kg)	1.12	1.70	0.69	1.35	0.79	132	0.72	4.70	0.68	0.43	0.83	0.65	0.74	6.90	0.99	0.90
(1.0718)	20mm Ø	(.../kg)	0.86	1.30	0.58	1.13	0.61	102	0.58	3.80	0.55	0.35	0.66	0.52	0.64	6.00	0.80	0.73
X8 CrNiS 18-9	5mm Ø	(.../kg)	3.16	4.80	2.43	4.75	2.32	386	2.26	14.80	2.45	1.55	3.05	2.40	2.82	26.50	4.06	3.70
(1.4305)	20mm Ø	(.../kg)	2.70	4.10	2.31	4.51	2.22	369	1.91	12.50	2.30	1.45	2.67	2.10	2.45	23.00	3.32	3.02
CuZn 39 Pb 3	5mmØ	(.../kg)	3.09	4.70	2.66	5.21	2.27	378	2.87	18.80	2.53	1.60	2.79	2.20	2.72	25.50	3.19	2.91
(2.0401)	20mm Ø	(.../kg)	2.76	4.20	2.20	4.30	2.09	348	2.39	15.70	2.14	1.35	2.41	1.90	2.07	19.40	2.39	2.18
AlCuMg Pb	5mm Ø	(.../kg)	7.11	10.80	4.81	9.41	5.10	848	6.40	42.00	4.75	3.00	4.44	3.50	5.11	48.00	7.02	6.39
(3.1645)	20mm Ø	(.../kg)	4.15	6.30	3.46	6.76	2.49	414	4.57	30.00	3.88	2.45	3.81	3.00	3.41	32.00	4.50	4.10
Personnel Costs																		
Setup-man	Ø hourly-wage	(.../h)	21.06	32.00	14.55	28.45	14.42	2,400	11.89	78.00	15.83	10.00	10.79	8.50	11.93	112.00	17.86	16.27
Helper	Ø hourly-wage	(.../h)	13.16	20.00	11.25	22.00	11.42	1,900	7.93	52.00	10.29	6.50	8.25	6.50	9.59	90.00	10.41	9.48
Social costs		(%)	77.0				35.0		83.0		25.0		28.0		70.9		36.0	